

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

WHITE STAR PETROLEUM HOLDINGS, LLC
LITIGATION TRUST,

Plaintiff,

v.

THE ENERGY & MINERALS GROUP LP,
JOHN T. RAYMOND, ELLIOT J. CHAMBERS,
SCOTT R. MUELLER, LOUIS JOHN
SCHAUFELE IV, LAURA A. TYSON, EMG
WHITE STAR HOLDINGS LLC, EMG
LIGHTHOUSE HOLDINGS LLC, EMG FUND
III MANAGEMENT LP, THE ENERGY &
MINERALS GROUP FUND III LP, EMG FUND
III GP LP, EMG FUND II MANAGEMENT LP,
EMG FUND II GP LP, THE ENERGY &
MINERALS GROUP FUND II LP,

Defendants.

Civil Action No. 21-03060

STIPULATION

Defendants The Energy & Minerals Group, LP (“EMG”); John T. Raymond; Louis John Schaufele IV; Laura A. Tyson; EMG White Star Holdings, LLC (“EMG White Star Holdings”); EMG Lighthouse Holdings, LLC (“EMG Lighthouse Holdings”); EMG Fund III Management, LP; The Energy & Minerals Group Fund III, LP; EMG Fund III GP, LP; EMG Fund II Management, LP; EMG Fund II GP, LP; The Energy & Minerals Group Fund II, L.P. (the “EMG Funds”) (collectively with EMG, EMG White Star Holdings, and EMG Lighthouse Holdings, the “EMG Defendants”); Elliot J. Chambers and Scott R. Mueller (the “Non-EMG Directors”) (collectively with the EMG Defendants, the “Defendants”) and Plaintiff White Star Petroleum Holdings, LLC Litigation Trust (“Plaintiff” or the “Litigation Trust” and, together with the

Defendants, the “Parties”) enter into this Stipulation (the “Stipulation”) and hereby stipulate and agree as follows:

1. On March 12, 2021, Plaintiff filed suit against Defendants in Texas state court in the action formerly styled as *White Star Petroleum Holdings, LLC Litigation Trust v. The Energy & Minerals Group, LP*, No. 2021-14556 (270th Dist. Ct., Harris County, Tex.) (the “Litigation Trustee Action”). Defendants removed the Litigation Trustee Action to this Court on April 26, 2021.

2. The Litigation Trust, which proceeds through Plaintiff Trustee Harold Kaplan (the “Plaintiff Trustee”), was established by the Plan of Liquidation¹ confirmed by the United States Bankruptcy Court for the Western District of Oklahoma (the “White Star Bankruptcy Court”) in the White Star Petroleum Holdings, LLC Bankruptcy Proceeding.²

3. On April 16, 2020, the White Star Bankruptcy Court entered the Confirmation Order³ confirming the Plan of Liquidation and approving the Litigation Trust Agreement⁴ and the Plaintiff Trustee’s appointment. The Plan of Liquidation’s Effective Date was April 28, 2020.⁵

4. Under the Plan of Liquidation and the Litigation Trust Agreement, Plaintiff Trustee has the “authority to maintain, prosecute, settle, dismiss, abandon, or otherwise dispose of the Preserved Potential Claims,”⁶ which expressly include the following:

¹ See Notice of Revised Chapter 11 Plan of Liquidation § 5.4.1 [Bankruptcy Proceeding Dkt. No. 1007] (the “Plan of Liquidation”).

² See *In re White Star Petroleum Holdings, LLC, et al.*, Case No. 19-12521-JDL (Bankr. W.D. Okla.) (the “Bankruptcy Proceeding”).

³ See Findings of Fact, Conclusions of Law and Order Confirming the Joint Chapter 11 Plan of Liquidation of White Star Petroleum Holdings, LLC and Its Debtor Affiliates [Bankruptcy Proceeding Dkt. No. 1152] (the “Confirmation Order”).

⁴ See Notice of Further Revised Amended Litigation Trust Agreement [Bankruptcy Proceeding Dkt. No. 1148] (the “Litigation Trust Agreement”).

⁵ See Notice of Occurrence of Plan Effective Date [Bankruptcy Proceeding Dkt. No. 1167].

⁶ Litigation Trust Agreement § 3.06; see also Plan of Liquidation § 5.9.

- “Prepetition D&O Actions,” defined in the Plan of Liquidation to mean “Causes of Action against the Debtors’ current or former directors or officers, solely in their official capacity as such, (i) arising prior to April 30, 2019, or (ii) arising prior to the Petition Date and based upon any act or omission that is determined by Final Order to have constituted gross negligence, willful misconduct, fraud or a criminal act;”⁷
- “Avoidance Actions,” defined in the Plan of Liquidation to mean “any and all actual or potential claims and causes of action to avoid and recover a transfer of property or an obligation incurred by any of the Debtors pursuant to any applicable section of the Bankruptcy Code, including sections 544, 545, 547, 548, 549, 550, 551, 553(b) and 724(a) of the Bankruptcy Code, or under similar or related state or federal statutes and common law;”⁸ and
- Various “Additional Preserved Potential Claims,” including “[a]ny Claim or Cause of Action related to, or in connection with, the Debtors’ acquisition of Lighthouse Oil and Gas LP on March 14, 2017.”⁹

5. Pursuant to the Plan of Liquidation, “[a]ny recovery by or on behalf of the Litigation Trust (and the beneficiaries thereof) on account of any Prepetition D&O Actions, including in each case by way of settlement or judgment, shall be limited to the Debtors’ available D&O Policies’ combined limits, after payment from such D&O Policies of the D&O Insurance Coverage.”¹⁰ Accordingly, any recovery on a Prepetition D&O Action against and attributable to the Debtors’ current or former directors or officers, acting solely in their capacities as such, must be limited to the extent of the non-depleted D&O Policies. The D&O Policies provide for a combined \$25 million of D&O Insurance Coverage.

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⁷ Plan of Liquidation § 2.1.100.

⁸ *Id.* § 2.1.9.

⁹ Preserved Potential Claims Schedule at 52.

¹⁰ Plan of Liquidation § 10.11.

Dated: June 17, 2021



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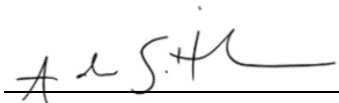
Respectfully Submitted,



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Certificate of Service

I certify that on June 17, 2021, I caused a copy of the foregoing document to be served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

A handwritten signature in blue ink, appearing to read "M.L. Brimmage, Jr.", is positioned above a horizontal line.

Marty L. Brimmage, Jr.